

107TH CONGRESS  
1ST SESSION

# H. R. 871

To amend the Internal Revenue Code of 1986 to phaseout the alternative minimum tax on individuals.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2001

Mr. COLLINS introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to phaseout the alternative minimum tax on individuals.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Alternative Minimum  
5 Tax Repeal Act of 2001”.

6 **SEC. 2. PHASEOUT OF ALTERNATIVE MINIMUM TAX ON IN-**  
7 **DIVIDUALS.**

8 (a) REPEAL IN 2011.—Subsection (a) of section 55  
9 of the Internal Revenue Code of 1986 is amended by add-  
10 ing at the end the following new flush sentence:

1 “For purposes of this title, the tentative minimum tax on  
 2 any taxpayer other than a corporation for any taxable year  
 3 beginning after December 31, 2010, shall be zero.”.

4 (b) REDUCTION OF TAX ON INDIVIDUALS PRIOR TO  
 5 REPEAL.—

6 (1) IMMEDIATE INCREASE IN EXEMPTION  
 7 AMOUNTS.—Paragraph (1) of section 55(d) of such  
 8 Code is amended—

9 (A) by striking “\$45,000” and inserting  
 10 “\$52,000”,

11 (B) by striking “\$33,750” and inserting  
 12 “\$38,000”, and

13 (C) by striking “\$22,500” and inserting  
 14 “½ the amount applicable under subparagraph  
 15 (A)”.

16 (2) ADDITIONAL INCREASES IN EXEMPTION  
 17 AMOUNTS; REPEAL OF PHASE-OUT OF EXEMPTION  
 18 AMOUNTS.—Paragraph (3) of section 55(d) of such  
 19 Code is amended to read as follows:

20 “(3) INCREASES IN EXEMPTION AMOUNTS FOR  
 21 TAXPAYERS OTHER THAN CORPORATIONS.—

22 “(A) IN GENERAL.—The exemption  
 23 amounts under paragraph (1) for taxable years  
 24 beginning in any calendar year after 2001 shall  
 25 be determined by increasing the dollar amounts

1 contained in subparagraphs (A) and (B) of  
 2 paragraph (1) by the applicable percentage for  
 3 such calendar year of such dollar amounts.

4 “(B) APPLICABLE PERCENTAGE.—For  
 5 purposes of subparagraph (A), the applicable  
 6 percentage shall be determined in accordance  
 7 with the following table:

<b>“For calendar year—</b>	<b>The applicable percentage is—</b>
2002 .....	10
2003 .....	20
2004 .....	30
2005 .....	40
2006 .....	50
2007 .....	60
2008 .....	70
2009 .....	80
2010 .....	90.

8 “(C) ROUNDING.—If any amount, as in-  
 9 creased under subparagraph (A) is not a mul-  
 10 tiple of \$5, such amount shall be increased to  
 11 the nearest multiple of \$5.”

12 (c) NONREFUNDABLE PERSONAL CREDITS FULLY  
 13 ALLOWED AGAINST REGULAR TAX LIABILITY.—

14 (1) IN GENERAL.—Subsection (a) of section 26  
 15 of such Code (relating to limitation based on amount  
 16 of tax) is amended to read as follows:

17 “(a) LIMITATION BASED ON AMOUNT OF TAX.—The  
 18 aggregate amount of credits allowed by this subpart for  
 19 the taxable year shall not exceed the sum of—

1           “(1) the taxpayer’s regular tax liability for the  
2           taxable year reduced by the foreign tax credit allow-  
3           able under section 27(a), and

4           “(2) the tax imposed by section 55(a) for the  
5           taxable year.”

6           (2) REPEAL OF REDUCTION OF REFUNDABLE  
7           TAX CREDITS.—

8           (A) Subsection (d) of section 24 of such  
9           Code is amended by striking paragraph (2) and  
10          redesignating paragraph (3) as paragraph (2).

11          (B) Section 32 of such Code is amended by  
12          striking subsection (h).

13          (3) CONFORMING AMENDMENT.—Section 904  
14          of such Code is amended by striking subsection (h).

15          (d) LIMITATION ON USE OF CREDIT FOR PRIOR  
16          YEAR MINIMUM TAX LIABILITY.—Subsection (c) of sec-  
17          tion 53 of such Code is amended to read as follows:

18          “(c) LIMITATION.—

19               “(1) IN GENERAL.—Except as otherwise pro-  
20               vided in this subsection, the credit allowable under  
21               subsection (a) for any taxable year shall not exceed  
22               the excess (if any) of—

23                       “(A) the regular tax liability of the tax-  
24                       payer for such taxable year reduced by the sum

1 of the credits allowable under subparts A, B, D,  
2 E, and F of this part, over

3 “(B) the tentative minimum tax for the  
4 taxable year.

5 “(2) TAXABLE YEARS BEGINNING AFTER  
6 2010.—In the case of any taxable year beginning  
7 after 2010, the credit allowable under subsection (a)  
8 to a taxpayer other than a corporation for any tax-  
9 able year shall not exceed 90 percent of the excess  
10 (if any) of—

11 “(A) regular tax liability of the taxpayer  
12 for such taxable year, over

13 “(B) the sum of the credits allowable  
14 under subparts A, B, D, E, and F of this  
15 part.”.

16 (e) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2000.

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